SLIDE FOR THIS
PRESENTATION WERE
PULLED FROM GOV8-JF
AND ECON-JF.

Spiral
Section 2

Federal Markets

John Frank
Vice President, Federal Programs
INPUT

Why Federal Agencies Use Professional Services

- Improve Information Technology Support
- Improve Productivity
- Maintain and Enhance Systems
- Increase Contracting Out
- Overcome Staff Shortages

INPUT

NOTES:

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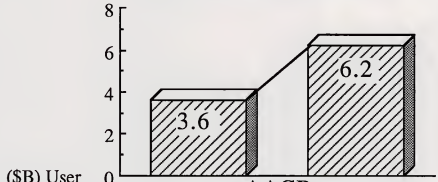
Report Forecast



Includes Systems Integration

INPUT

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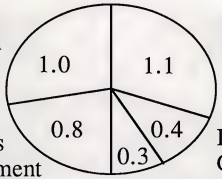
Component Breakout
($B)



1987

INPUT

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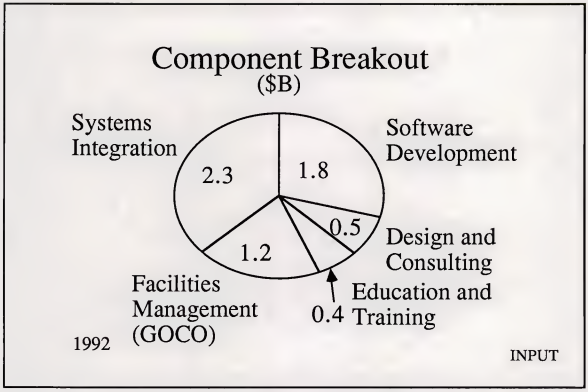

NOTES:

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Differences with New Forecast

- AAGR Stays at 13%
- Software Development Moving Slightly Faster
- Everything Else Growing at Same Rate

INPUT

NOTES:

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Implications of "No Change"

- Components Growing at Steady Pace
- Later Slight Downtrending for Software Development
- Continued Rise in Systems Integration

INPUT

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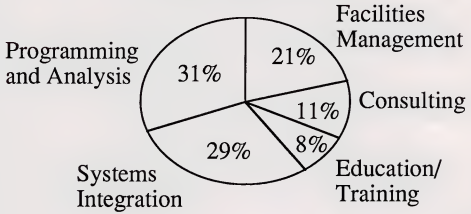
Professional Services Budget Distribution by Service Category Civil Agencies



INPUT

NOTES:

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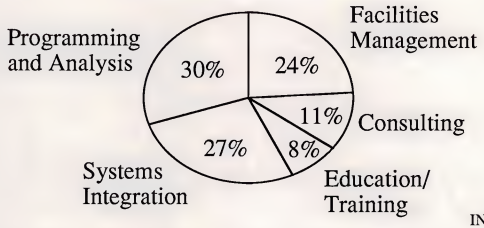
Professional Services Budget Distribution by Service Category Defense Agencies



INPUT

NOTES:

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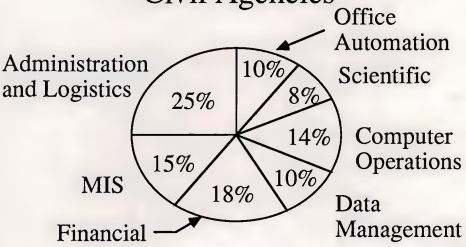
Federal Government Professional Services Application Areas Civil Agencies



INPUT

NOTES:

JJ88-JF1-10

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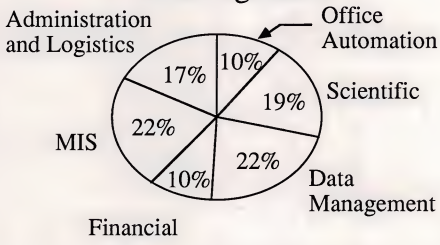
Federal Government Professional Services Application Areas DoD Agencies



INPUT

NOTES:

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Computer Language Usage

Language	Responses (Percent) Civil	Defense	Total
Early Generation	71	50	65
4th Generation	18	30	22
Ada	11	20	13

INPUT

NOTES:

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Contractor Selection Criteria

Criteria	Vendor	Agency
Proposed Technical Solution	1	1
Cost	2	4
Vendor Reputation	3	2
Project Management	4	5
Staff Experience	5	3

INPUT

NOTES:

JJ88-JF1-13A,B

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Agency Preference for Professional Services Vendors

Vendor Type	Percent	
	Civil Agencies	DoD Agencies
Not-for-Profit	9	8
Software Products Vendors	20	8

INPUT

NOTES:

JJ88-JF1-14A

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Agency Conversion Intentions

Planned Conversion	Percent	
	Civil Agencies	DoD Agencies
From Contractor to In-House Staff	24	30
From In-House Staff to Contractor	51	60
No Conversion Plans	25	10

INPUT

NOTES:

JJ88-JF1-15

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Agency Source Preference for Continued Support

Source	Percent: Civil Agencies	Percent: DoD Agencies
Bring Program In-House	31	20
Leave Program Out-of-House	41	30
No Preference	28	50

INPUT

NOTES:

JJ88-JF1-16

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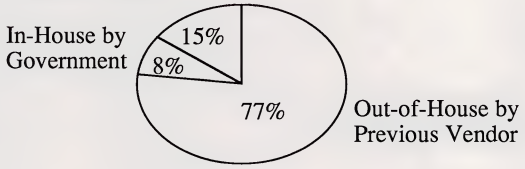
Follow on Support



INPUT

NOTES:

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Vendor Contract Type Preference

Contract Type	Percent	
	Vendors	Agencies
Cost Plus/Cost Plus Incentive Fee	23	[36]
Fixed Price	[47]	30
Mix	23	24
Other	7	10

☐ = Most Preferred.

INPUT

NOTES:

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Factors Affecting Future Government Spending

Factor	Rank*
Budget Changes (Authorization, Appropriation, Apportionment)	1
Government Personnel Availability	2

*Rank based on frequency of mention by respondents.

INPUT

NOTES:

JJ88-JF1-19

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Factors Affecting Future Government Spending

Factor	Rank*
Legislative Policy Changes	3
Regulatory Policy Changes	4
Political Oversight	5

*Rank based on frequency of mention by respondents.

INPUT

NOTES:

JJ88-JF1-19A

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Vendor Ada Qualifications

Status	Percent of Respondents
Vendors Currently Qualified in Ada	67
Vendors Planning to Become Qualified	19
Vendors with No Current Plans for Ada	14

INPUT

NOTES:

JJ88-JF1-20

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Recommendations

- Minimize Risk
- Penetrate Agencies Vertically
- Survey Customer Opinion
- Facilitate Interoperability
- Improve Teaming Relationships

INPUT

NOTES:

JJ88-JF1-21

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Federal EDI Climate

- Market Forces
- Applications
- CALS
- Agency Perspectives
- Vendor Perspectives
- Market Forecast

INPUT

NOTES:

JJ88-JF1E-1

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Market Forces

- Budget Constraints
- Staff Shortages
- Productivity Improvement
- Management/Oversight Mandates
- Amended Paperwork Reduction Act

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NOTES:

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Agency Benefits

- Reduce Document Handling
- Eliminate Manual Reentry of Data
- Improve Document Accuracy
- Lower Procurement Costs

. . . Just as for Business

INPUT

NOTES:

JJ88-JF1E-3

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Inventory Management

- Process Orders Faster
- Reduce Lead Time
- Improve Forecast Accuracy
- Reduce Warehouse Space
- Reduce Stock-on-Hand

INPUT

NOTES:

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Federal EDI Applications

- Department of Defense
- Treasury Department
- General Services Administration
- Other Agencies
- Leading Candidates

INPUT

NOTES:

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EDI in Department of Defense

- Commissary Activity Continuing to Grow
- Defense Logistics Agency
  - Paperless Ordering Placement System (POPS)
  - Procurement by Electronic Telecommunication (PET) System
- Military Traffic Management Command
  - Automated Bills of Lading

INPUT

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EDI in Treasury Department

- IRS—SUPER and SUPERB Expanding Nationwide
- Customs—Automated Broker Interface
- Vendor Express

INPUT

NOTES:

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Vendor Express

- Begun July 20, 1987
- Limited Volume at Present
- Convert Vendor Payments over Two Years
- Now Contains Invoice Date
- Adding Addenda Record Next April

INPUT

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EDI at General Services Administration

- Furniture Purchase Order Pilot
- Planning X12 Invoice Pilot
- Automated Federal Supply Schedule

INPUT

NOTES:

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Computer-Aided Acquisition and Logistics Systems (CALS)

- Treated in Federal EDI Report
- Enormous Vendor Interest
- Formally Limited to DoD
  - Army
  - Air Force
  - Navy
  - Defense Logistics Agency

INPUT

NOTES:

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CALS Perspectives

- Definition: Interactive Exchange of Standardized Logistics Documents in Digital Form
- Costello: Budget Cuts Increase CALS Acceptance

INPUT

NOTES:

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CALS - Air Force

- AFTOMS (Formerly ATOS)
- Functional Areas
  - Repository Automation
  - Printing and Publishing
  - Systems Integration
  - Information Processing
  - CAD/CAM
  - Authoring
  - DBMS
  - Maintenance

INPUT

NOTES:

JJ88-JF1E-12

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CALS - Army

- Active Solicitation
- Originally Supporting LHX
- 11 Individual Projects
- Generic Architecture by CSC

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NOTES:

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CALS - Navy

- EDMICS – Major System to Be Awarded Shortly
- Overall Program
  - 23 Major Projects
  - Categories Similar to Air Force
  - Demonstrations: Lead Weapon Systems Development Programs

INPUT

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CALS – DLA

- Logistics Systems Modernization Program
- Using Existing Standards
  - Standardized General Markup Language
  - Initial Graphics Exchange Specifications
- 12 CALS Projects
- 6 Categories

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Agency Perspectives

- Ad-Hoc Adoption of EDI Techniques
- Premature to Standardize
- Draft OMB Policy—Data Collection
- Adapt and Adopt Private-Sector Procedures
- OMB Circular A-130 Encouraging EDI

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Agency Perspectives—Standards

- DoD Adopts ANSI X.12
- Federal Supply Service Incorporating X.12
- NBS Still Evaluating
- GOSIP

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Software Criteria Ranking

Characteristic	Ranking	
	Agency	Vendor
Ease of Use	1	5
Vendor Maintenance	2	4
Exception Reporting	3	3
Receipt Confirmation	4	2
Ease of Upgrade	5	1

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NOTES:

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Vendor Perspectives

POSITIVE

- Market Opportunities
- Transfer of Commercial Capabilities
- More-Efficient Government

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Advantages to Industry

- Faster Procurement Invoices
- More Accurate Invoices
- Prompt Payment
- Lower Cost to Industry

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Vendor Perspectives

NEGATIVE

- Uncertain Standards Approach
- Possible Security Compromise
- Potential for Unchecked Errors
- More-Efficient Government

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Vendor Prospects

- Network Services
- Software
- Systems Integration
- Hardware Suppliers
- Maintenance

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NOTES:

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Vendor Improvements to Products and Services

Suggestion	Rank
Improve Interconnection Capabilities	1
Increase Translation Software Availability	2
Increase On-Line Editing Capabilities	3
Expand E-Mail Capabilities	4
Develop "Error-Free" Communicating Protocol	5

Rank Based on Frequency of Mention by Respondents

INPUT

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9-6

Andrea,

For the client reference Wed P.M. roundtable session on "Federal Markets" we should prepare hard copy from

(1) GOVS-JK Federal Professional Services Market

and

(2) ECON-JK Federal ELI climate.

Just change the name on cover sheet to John Frank + prepare hard copy. Slides will not be needed, as John F. will bring them from Wash. DC.

T Jones

Bd

CODE JJ88 - JF1

CODE 1188 - 1LT